

EXHIBIT 1

INTRODUCTION

Respondent Pierce O'Donnell is an attorney and partner in the Los Angeles law firm of O'Donnell & Shaeffer, LLP. James Hahn was a candidate for Mayor of Los Angeles in the April 10, 2001 general election, and was elected to that office in a June 5, 2001 run-off election. At all relevant times, Hahn for Mayor was the controlled committee of James Hahn.

In this matter, Respondent O'Donnell made twenty-six contributions, totaling \$25,500, to Hahn for Mayor, between June 20, 2000 and April 2, 2001, in names other than his own name, in violation of Government Code section 84301 of the Political Reform Act (the "Act").¹ This violation denies the public of information regarding the true source of a candidate's financial support.

For the purposes of this stipulation, Respondent's violations of the Act are stated as follows:

- COUNT 1: On or about June 20, 2000, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Laurinda Delaney rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 2: On or about June 20, 2000, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of David Bernstein rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 3: On or about June 20, 2000, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Lisa Bernstein rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 4: On or about June 20, 2000, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Hilda Escobar rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 5: On or about June 21, 2000, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Linda Fraser rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 6: On or about June 21, 2000, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of William Powell rather than his own name, in violation of section 84301 of the Government Code.

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of title 2, California Code of Regulations. All regulatory references are to title 2, division 6, of the California Code of Regulations, unless otherwise indicated.

- COUNT 7: On or about June 21, 2000, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Mark Ramirez rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 8: On or about June 21, 2000, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Bert Rodriguez rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 9: On or about June 21, 2000, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Sherill Soliz rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 10: On or about June 21, 2000, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Anita Latinovic rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 11: On or about June 21, 2000, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Neil Sacker rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 12: On or about June 21, 2000, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Catherine Sacker rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 13: On or about March 8, 2001, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Else Latinovic rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 14: On or about March 8, 2001, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Harry Silberman rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 15: On or about March 8, 2001, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Sharon Wright rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 16: On or about March 8, 2001, Respondent Pierce O'Donnell made a \$500 contribution to the Hahn for Mayor committee, in the name of Danette Polchowski rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 17: On or about March 24, 2001, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Antonio Martin rather than his own name, in violation of section 84301 of the Government Code.

- COUNT 18: On or about March 24, 2001, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Joycelou Martin rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 19: On or about March 24, 2001, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Elizabeth Desher rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 20: On or about March 24, 2001, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Stephen Desher rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 21: On or about March 29, 2001, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Cathleen Lee rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 22: On or about March 29, 2001, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Greg Lee rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 23: On or about April 2, 2001, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Elta Kishimoto rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 24: On or about April 2, 2001, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Leonard Kishimoto rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 25: On or about April 2, 2001, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Becky Ma rather than his own name, in violation of section 84301 of the Government Code.
- COUNT 26: On or about April 2, 2001, Respondent Pierce O'Donnell made a \$1,000 contribution to the Hahn for Mayor committee, in the name of Yul Ma rather than his own name, in violation of section 84301 of the Government Code.

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in section 81002, subdivision (a), is to ensure that receipts and expenditures in election campaigns are fully and truthfully disclosed, so that voters may be fully informed, and improper practices may be inhibited. The Act therefore provides for the full disclosure of receipts and expenditures in election campaigns through the periodic filing of campaign statements, as provided in sections 84200 through 84211.

In order to obtain disclosure of the true source of a contribution, section 84301 provides that no contribution shall be made, directly or indirectly, by any person in a name other than the name by which that person is identified for legal purposes.

SUMMARY OF THE FACTS

Respondent Pierce O'Donnell is an attorney and partner in the Los Angeles law firm of O'Donnell & Shaeffer, LLP. James Hahn was a candidate for Mayor of Los Angeles in the April 10, 2001 general election, and was elected to that office in a June 5, 2001 run-off election. At all relevant times, Hahn for Mayor was the controlled committee of James Hahn.

COUNTS 1-26

Making a Contribution in a Name Other Than One's Own Name

Respondent O'Donnell made twenty-six contributions, totaling \$25,500, to the Hahn for Mayor committee, between June 20, 2000 and April 2, 2001, in names other than his own name, in violation of section 84301. Respondent made the contributions by issuing checks to individuals, who made contributions to the Hahn for Mayor committee, as reimbursement to employees and former employees of his law firm, or their family and friends. At the time of the violations, a Los Angeles city ordinance imposed a \$1,000 limit on campaign contributions made to candidates for elected office. As such, Respondent O'Donnell was prohibited from giving more than \$1,000 to the Hahn for Mayor committee for any one election.

The twenty-six contributions that were made by Respondent O'Donnell in the names of other persons to the Hahn for Mayor committee are as follows:

Count	Receipt Date of Contribution	Person Reported as Contributor	Relationship to Pierce O'Donnell	Amount
1	06/20/00	Laurinda Delaney	Employee	\$1,000
2	06/20/00	David Bernstein	Employee	\$1,000
3	06/20/00	Lisa Bernstein	Spouse of employee	\$1,000
4	06/20/00	Hilda Escobar	Employee	\$1,000
5	06/21/00	Linda Fraser	Employee	\$1,000
6	06/21/00	William Powell	Employee	\$1,000
7	06/21/00	Mark Ramirez	Employee	\$1,000
8	06/21/00	Bert Rodriguez	Employee	\$1,000
9	06/21/00	Sherill Soliz	Employee	\$1,000
10	06/21/00	Anita Latinovic	Relative of employee	\$1,000
11	06/21/00	Neil Sacker	Friend	\$1,000
12	06/21/00	Catherine Sacker	Spouse of friend	\$1,000
13	03/08/01	Else Latinovic	Employee	\$1,000
14	03/08/01	Harry Silberman	Employee	\$1,000
15	03/08/01	Sharon Wright	Employee	\$1,000
16	03/08/01	Danette Polchowski	Employee	\$ 500
17	03/24/01	Antonio Martin	Employee	\$1,000

18	03/24/01	Joycelou Martin	Spouse of employee	\$1,000
19	03/24/01	Elizabeth Desher	Friend of employee	\$1,000
20	03/24/01	Stephen Desher	Employee	\$1,000
21	03/29/01	Cathleen Lee	Employee	\$1,000
22	03/29/01	Greg Lee	Spouse of employee	\$1,000
23	04/02/01	Leonard Kishimoto	Employee	\$1,000
24	04/02/01	Elta Kishimoto	Spouse of employee	\$1,000
25	04/02/01	Becky Ma	Employee	\$1,000
26	04/02/01	Yul Ma	Spouse of Employee	\$1,000
Total				\$25,500

By making the twenty-six contributions as stated above, Respondent Pierce O'Donnell committed twenty-six violations of section 84301.

CONCLUSION

This matter consists of twenty-six violations of section 84301, with a maximum administrative penalty for Counts 1 through 12 of \$2,000 per violation, for a total of \$24,000, and for Counts 13 through 26 of \$5,000 per violation, for a total of \$70,000. As such, the maximum administrative penalty that could be imposed for this case is \$94,000.

Making campaign contributions in the name of another denies the public of information about the true source of a candidate's financial support. Therefore, the typical administrative penalty in this type of case has historically been at or near the maximum penalty per violation, depending on the circumstances of the violation. In aggravation, the contributions in this case circumvented the \$1,000 per person local contribution limit applicable to City of Los Angeles mayoral elections.

However, Respondent O'Donnell has been criminally prosecuted, and is currently the subject of another administrative action for the same violations. In 2004, the Los Angeles District Attorney's Office pursued a criminal action against Respondent O'Donnell for 26 misdemeanor violations of section 84301. In February 2006, Respondent entered into a plea agreement with five misdemeanor violations of section 84301 and a monetary penalty plus penalty assessments in the amount of \$155,280. Respondent is also subject to three years probation, and is not permitted to engage in political fundraising during that time. In addition, Respondent is still subject to an administrative action by the Los Angeles City Ethics Commission for violating the City of Los Angeles election laws.

Based on the facts and circumstances of this case, an administrative penalty in the amount of Seventy Two Thousand Dollars (\$72,000) is justified.